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Capstone Secures Significant Order for Two Microturbines to Power a Dehydration Facility in Iraq as it Delivers Against its Middle East Expansion Strategy

VAN NUYS, Calif., June 03, 2019 (GLOBE NEWSWIRE) -- Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq: CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that it has secured an order for two C600 Signature Series microturbines to provide 1.2 megawatts (MW) of energy to power a triethylene glycol (TEG) dehydration facility in the Basra region of Southern Iraq. The order also includes Capstone's new self-cleaning pulse filtration system which will allow the microturbines to endure the remote and sandy conditions with minimal maintenance. The order was secured by Technical Solutions to Industry FZE (TSI), Capstone's authorized distributor to Iraq and United Arab Emirates (UAE).



New self-cleaning pulse filtration system allows Capstone microturbines to withstand the most remote and sandy locations in the world with minimal maintenance.

Fueled by available raw gas, Capstone's two C600S microturbines will power 100% of the new dehydration facility. The new facility is part of a larger 25-year joint venture between local gas and leading oil producer's efforts to capture, treat and monetize associated gas currently being flared from three southern Iraq oilfields.

Capstone recently developed a new line of self-cleanable severe environment air filtration systems for its Signature Series line of microturbine products to facilitate its expansion into the oil and gas business in the Middle East as part of its overall double digit revenue growth strategy. The company announced its intentions to expand its business into the Middle East a couple of years ago and has previously delivered successful projects in Oman, Qatar, Saudi Arabia and the UAE. Capstone expects that higher oil prices and the move towards reduced gas flaring will continue to drive demand and should provide a positive backdrop for Capstone's low emission microturbine solutions.

"Flaring is the traditional way to dispose of unwanted gas produced during oil exploration activities, but the long standing practice creates an immense amount of carbon dioxide emissions and adds to climate change," said Darren Jamison, President and Chief Executive Officer of Capstone. "In Iraq alone, 16 billion cubic meters (bcm) of natural gas is flared annually, making it a wasted resource that could instead provide electricity or other benefits to meet the predicted doubling demand by 2030," added Mr. Jamison.

Iraq is one of the world's biggest energy producers and is set to become the fourth-largest oil-producer by 2030 behind the United States, Saudi Arabia and Russia according to the IEA report, *Iraq's Energy Sector: A Roadmap to a Brighter Future 2019*. At the same time, 60-70% of gas produced is being flared due to the lack on infrastructure causing Iraq to import natural gas from the neighboring country of Iran. To improve efficiency and help with shortfalls due to rising electricity demand, the Iraqi government is working with international gas companies to capture and utilize its resources versus flaring.

"As pressure for more efficient and environmentally conscious oil and gas production increases, we continue to see an increased demand for microturbines for flare reduction applications," said Jim Crouse, Executive Vice President of Sales and Marketing for Capstone. "Capstone, through its distributor network, is committed to do its part by educating and working with producers and local operators for a more profitable production. Flare reduction applications like this in Basra can have a payback as short as one year which makes it an economic win as well as an environmental win," concluded Mr. Crouse.

About Capstone Turbine Corporation

Capstone Turbine Corporation (www.capstoneturbine.com) (Nasdaq: CPST) is the world's leading producer of highly efficient, low-emission, resilient microturbine energy systems. Capstone microturbines serve multiple vertical markets worldwide, including natural resources, energy efficiency, renewable energy, critical power supply, transportation and microgrids. Capstone offers a comprehensive product lineup, providing scalable systems focusing on 30 kW to 10 MWs that operate on a variety of gaseous or liquid fuels and are the ideal solution for today's distributed power generation needs. To date, Capstone has shipped over 9,000 units to 73 countries and has saved customers an estimated \$253 million in annual energy costs and 350,000 tons of carbon.

For more information about the company, please visit www.capstoneturbine.com. Follow Capstone Turbine on [Twitter](#), [LinkedIn](#) and [YouTube](#).

Forward-Looking Statements

This press release contains "forward-looking statements," as that term is used in the federal

securities laws. Forward-looking statements may be identified by words such as “expects,” “believes,” “objective,” “intend,” “targeted,” “plan” and similar phrases. These forward-looking statements are subject to numerous assumptions, risks and uncertainties described in Capstone’s filings with the Securities and Exchange Commission that may cause Capstone’s actual results to be materially different from any future results expressed or implied in such statements. Capstone cautions readers not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Capstone undertakes no obligation, and specifically disclaims any obligation, to release any revisions to any forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.

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